



Supreme Court, U.S.  
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**Supreme Court of the United States**

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OCTOBER TERM, 1970

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No. 5175

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ADOLFO PEREZ, ET UX.,

*Petitioners,*

v.

DAVID H. CAMPBELL, SUPERINTENDENT,  
MOTOR VEHICLE DIVISION, ARIZONA  
HIGHWAY DEPARTMENT, ET AL.,

*Respondents.*

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ON WRIT OF CERTIORARI TO THE UNITED STATES COURT  
OF APPEALS FOR THE NINTH CIRCUIT

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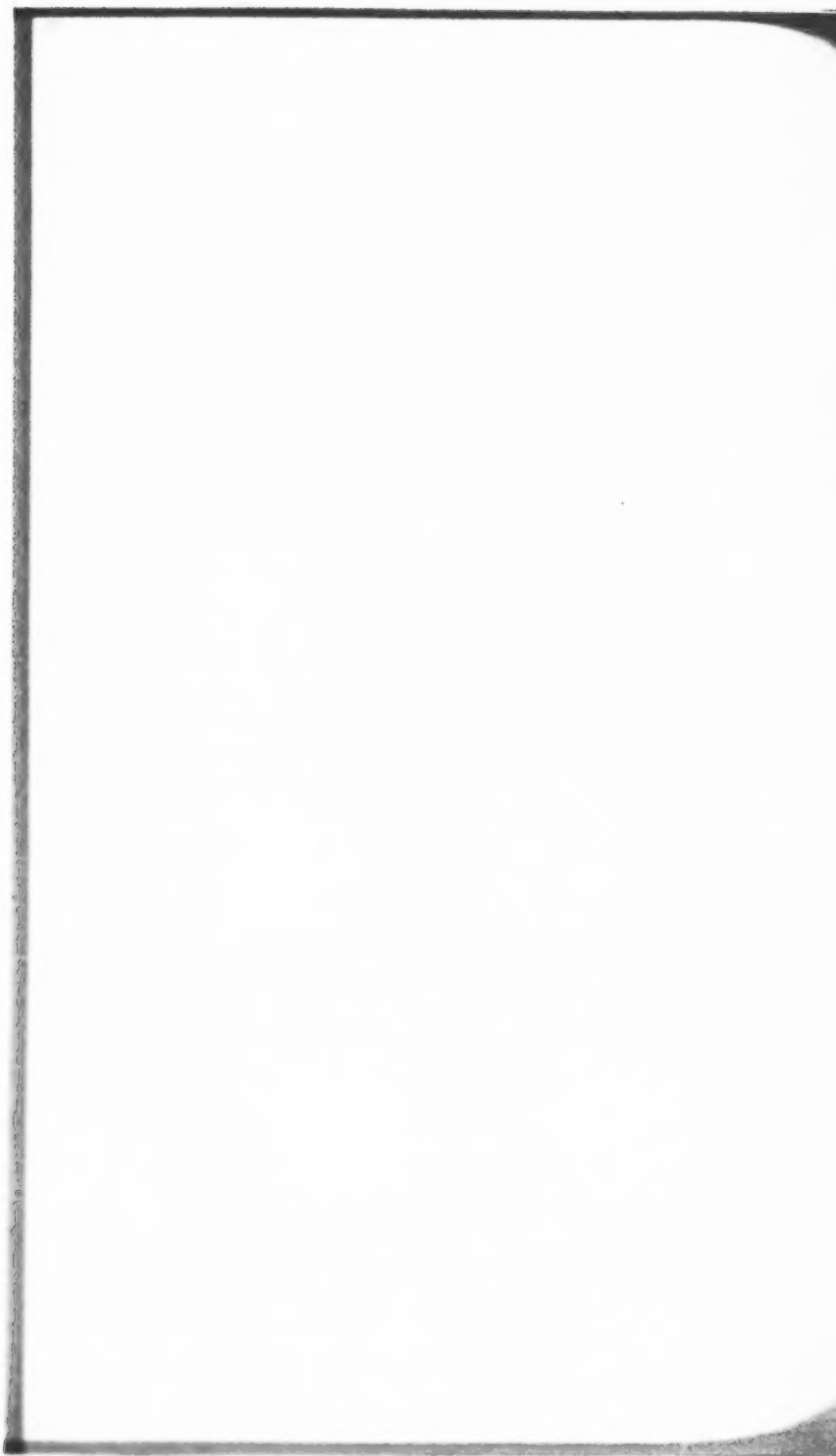
**PETITIONERS' BRIEF**

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ANTHONY B. CHING  
SPECIAL COUNSEL  
LEGAL AID SOCIETY OF THE  
PIMA COUNTY BAR ASSOCIA-  
TION

*Counsel for Petitioner*

Harvard Law School  
Cambridge  
Massachusetts 02138



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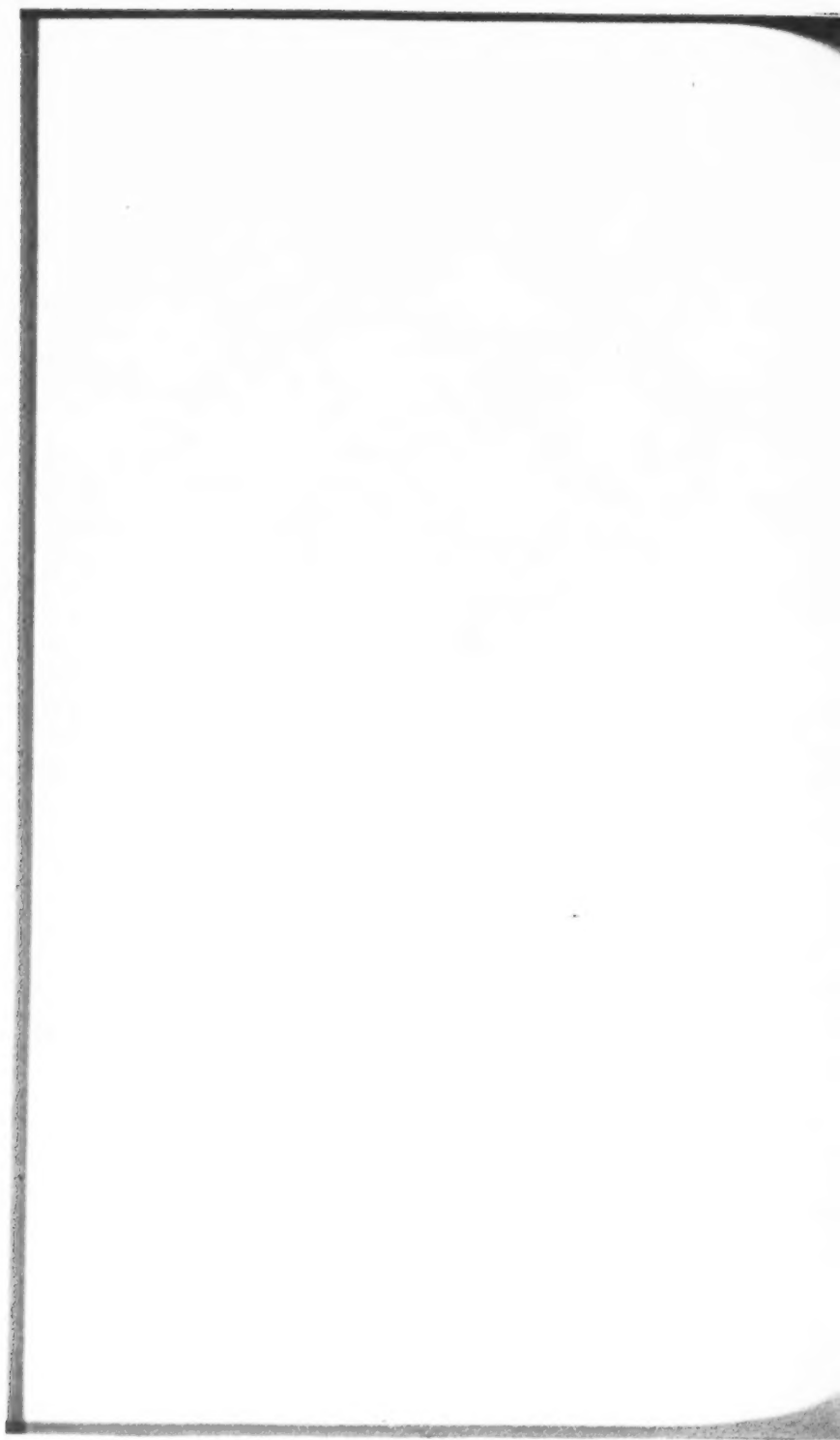
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**PETITIONERS' BRIEF**

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**OPINION BELOW**

The opinion of the U.S. Court of Appeal for the Ninth Circuit affirming the district court's order dismissing petitioners' complaint is reported at 421 F.2d 619 and also appears in the Appendix in this cause. (A. 18).



## JURISDICTION

The jurisdiction of the district court was invoked pursuant to 28 U.S.C. § 1334 and Section 11 of the Bankruptcy Act, 11 U.S.C. § 29. The district court on September 26, 1968, entered judgment for the defendants dismissing the complaint. (A. 16). A timely appeal was then taken to the U.S. Court of Appeal for the Ninth Circuit pursuant to 28 U.S.C. § 1291. On January 26, 1970, a decision was rendered by the Court of Appeal affirming the decision of the district court. Motion for rehearing was filed on February 9, 1970, and on February 18, 1970, petitioners motion for rehearing was denied. Timely Notice of Appeal for writ of certiorari was filed on April 15, 1970 and the petition for certiorari duly docketed. On October 12, 1970 Certiorari was granted. The jurisdiction of this Court rests on 28 U.S.C. § 1254(1).

## CONSTITUTIONAL PROVISIONS AND STATUTES INVOLVED

U.S. Constitution art. VI, cl. 2.

"This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, anything in the Constitution or Laws of any State to the Contrary notwithstanding."

U.S. Constitution art. I, Section 8, cl. 4.

"The Congress shall have Power  
4. To establish an uniform Rule of Naturalization, and uniform Laws on the subject of Bankruptcies throughout the United States."

The Bankruptcy Act, Section 17, 11 U.S.C. § 35 provides in part that:

**"Debts not affected by a discharge.**

**A discharge in bankruptcy shall release a bankrupt from all of his provable debts, whether allowable in full or in part, except \*\*\*" (exceptions not material here).**

The Arizona statute, the constitutionality of which is challenged, is Title 28, Chapter 7, Article 4, Section 28-1163(B), Arizona Revised Statutes (A.R.S.), which provides:

**"B. A discharged in bankruptcy following the rendering of any such judgment shall not relieve the judgment debtor from any of the requirements of this article."**

The requirement of this article complained of here is Arizona Revised Statutes § 28-1162 which provides:

**"A. The superintendent upon receipt of a certified copy of a judgment, shall forthwith suspend the license and registration and nonresident operating privilege of a person against whom the judgment was rendered, except as otherwise provided in this section and § 28-1165.**

**B. If the judgment creditor consents in writing, in such form as the superintendent may prescribe, that the judgment debtor be allowed license and registration of nonresident operating privileges, the same may be allowed by the superintendent in his discretion, for six months from the date of the consent and thereafter until the consent is revoked in writing, notwithstanding default in the payment of the judgment, or of any installments thereof prescribed in § 28-1165, provided the judgment debtor furnishes proof of financial responsibility."**

Arizona Revised Statutes § 28-1102(2) in part, defines "Judgment":

**"Judgment means any judgment which has become final by expiration without appeal of the time within which an appeal might have been perfected, or by final affirmation on appeal, rendered by a court of competent jurisdiction of any state or of the United**

States, upon a cause of action arising out of the ownership, maintenance or use of a motor vehicle . . ."

### QUESTION PRESENTED FOR REVIEW

Does the Arizona statute which conditions the return of a judgment debtor's driver's license and automobile registration on the payment of the judgment, notwithstanding the discharge of the judgment in bankruptcy, conflict with Section 17 of the Bankruptcy Act and therefore violate the Supremacy Clause as to:

- (a) a negligent driver?
- (b) his innocent wife?

### STATEMENT OF THE CASE

On July 8, 1965, Adolfo Perez, while driving alone in his automobile, collided with an automobile owned by Leonard Pinkerton and operated by Janice Pinkerton (A. 3). Emma Perez was at the time of the accident and is now the wife of Adolfo Perez. On September 6, 1966, a complaint was filed in the Superior Court of Pima County, Arizona by the Pinkertons against Adolfo Perez and Jane Doe (Emma) Perez, husband and wife, seeking recovery for damages sustained in the collision in 1965 (A. 3, R. 50-52). On October 31, 1967, Adolfo Perez and Emma Perez confessed judgment to the Pinkertons and a judgment was entered against their marital community as husband and wife. (A. 3, R. 53, 54, 55).

On November 6, 1967, Adolfo Perez and Emma Perez each filed petition in bankruptcy in the United States District Court and each of them was adjudicated a bankrupt. (A. 4). The debt and judgment owed the Pinkertons was scheduled by each of the bankrupts and was duly discharged on July 8, 1968. (A. 4).

On March 13, 1968, Adolfo Perez and Emma Perez were served with notice by the Arizona Highway Department that pursuant to A.R.S. § 28-1162(A), their drivers' licenses and automobile registrations were suspended (A. 4). The discharge in bankruptcy had no effect on the operation of this statute since A.R.S. § 28-1163(B) provides that a discharge in bankruptcy does not relieve the judgment debtor of this penalty. The loss of the drivers' licenses and automobile registrations has caused a great hardship to Adolfo Perez, his wife Emma and their children. (A. 10, 11, 12).

On August 2, 1968, Adolfo and Emma as husband and wife and Emma, on behalf of her separate self, filed the complaint in this case seeking declaratory and injunctive relief. In their complaint, they alleged, among other grounds, that the Arizona statute is in conflict with Section 17 of the Bankruptcy Act and therefore violates the Supremacy Clause of the U.S. Constitution. (A. 5). Petitioners, in their complaint and by motion supported by affidavits, requested preliminary and permanent injunctions to restrain the enforcement of the Arizona statute affecting them. (A. 7). Permission was granted by the District Court for them to proceed in forma pauperis. (A. 13).

The defendants then moved to dismiss the complaint on the ground that the Court had no jurisdiction over the subject matter and that the complaint failed to state a claim upon which relief could be granted. (A. 14). Petitioners opposed that motion. (A. 15). After oral argument, the District Court, on September 26, 1968, entered judgment for the defendants and dismissed the complaint. (A. 16).

An appeal was then taken to the U.S. Court of Appeal for the Ninth Circuit pursuant to 28 U.S.C. § 1291. On January 26, 1970, the Court of Appeal rendered its decision affirming the judgment below. (A. 26). Motion for rehearing was filed by the petitioners on February 9, 1970 and their motion was denied on February 18, 1970. (A. 27). Petitioners timely filed their Notice of Appeal on April 15, 1970 and their petition was duly docketed. On

October 12, 1970, this Court granted writ of certiorari and allowed petitioners to proceed in forma pauperis. (A. 28).

## ARGUMENT

### I

**AS TO PETITIONER ADOLFO PEREZ THE DECISION OF THE COURT OF APPEAL SUSTAINING THE ARIZONA STATUTE SHOULD BE REVERSED AS THE ARIZONA STATUTE VIOLATES THE SUPREMACY CLAUSE BECAUSE OF ITS CLEAR CONFLICT WITH THE BANKRUPTCY ACT. THE PRIOR DECISIONS WHICH THE COURT OF APPEALS RELIED UPON WERE UNSOUND AND SHOULD NOW BE OVERRULED.**

The U.S. Constitution has given Congress the exclusive power to deal with bankruptcies. The bankrupt receives by virtue of his discharge "a new opportunity in life and a clear field for future effort, unhampered by the pressure and discouragement of pre-existing debt." *Local Loan Co. v. Hunt*, 292 U.S. 234, 244, 78 L.ed 1230, 1235, 54 S.Ct. 695, 93 A.L.R. 195, 24 Am Bankr Rep(NS) 668, (1934). The states may not create legislation to interfere with the Federal enactment in any way as the bankruptcy power is "unrestricted and paramount". *International Shoe Co. v. Pinkus*, 278 U.S. 261, 265, 73 L.ed 318, 320, 49 S.Ct. 108, 13 Am Bankr Rep(NS) 108, (1929).

Notwithstanding the apparent conflict with the discharge provision of the Bankruptcy Act, a New York statute which provided for suspension of driver's license for three years as to a judgment debtor in a negligence case, restoration of the license upon satisfaction by payment of the judgment and proof of future financial responsibility, and excepting a discharge in Bankruptcy as satisfaction, was found by this Court in *Reitz v. Mealey*, 314 U.S. 33, 86 L.ed 21 62 S.Ct. 24, (1941), to be not in violation of the Due Process Clause nor inconsistent with the Bankruptcy Act. This Court said in *Reitz*:

"The penalty which § 94-b imposes for injury due to careless driving is not for the protection of the creditor merely but to enforce a public policy that irresponsible drivers shall not, with impunity, be allowed to injure their fellows. The scheme of the legislation would be frustrated if the reckless drivers were permitted to escape its provisions by the simple expedient of voluntary bankruptcy, and accordingly the legislature declared that a discharge in bankruptcy should not interfere with the operation of the statute. Such legislation is not in derogation of the Bankruptcy Act. Rather it is an enforcement of permissible state policy touching highway safety." 314 U.S. @ 37.

Although in the interim New York had amended its statute to provide for suspension upon creditor's request and the restoration without satisfaction upon creditor's consent, consideration of the validity of these amendments were avoided by this Court in *Reitz*.

Some twenty years later, this Court review a Utah financial responsibility statute which was very similar to the New York statute as amended. The Utah law was again upheld by this Court. In *Kesler v. Dept. of Public Safety*, 369 U.S. 153, 7 L.ed 2d 641, 82 S.Ct. 807 (1962), this Court reaffirmed the *Reitz* doctrine and decided that the same police power exerted for the protection of public safety and to deter unsafe driving was sufficient to sustain the creditor request and consent provisions.

The Arizona statutes challenged here are not unlike the Utah ones discussed in *Kesler*. Relevant provisions of Arizona's financial responsibility law under question are:

1. suspension of driver's license and automobile registration upon the judgment becoming final;<sup>1</sup>

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<sup>1</sup>A.R.S. § 28-1162A, § 28-1102(2).

2. restoration of the license and registration without satisfaction of the judgment if the creditor consents, the consent may be revoked at will;<sup>2</sup>

3. restoration of the license and registration upon payment or partial payment of the judgment;<sup>3</sup>

4. restoration of the license and registration if the superior court fixes a schedule of payments by installments and while payment on the installment is not in default;<sup>4</sup>

5. discharge of the judgment in bankruptcy shall not relieve the debtor from satisfying the above requirements to obtain the return of the license and registration;<sup>5</sup> and

6. proof of future financial responsibility is required in all instances of restoration of license and registration.<sup>6</sup>

Arizona's insistence on payment or installment payment of the discharged debt as a condition to regain the license and registration substantially deprives Adolfo the immunity afforded him by the discharge as well as his right to drive on its highways. In a departure from the traditional notion that driving constitutes a "privilege" and not a "right", the Arizona Supreme Court said in *Schechter v. Killingsworth*, 93 Ariz. 273, 380 P.2d 136 (1963):

"In this day when the motor vehicle is such an important part of our modern day living when the use of the vehicle is so essential to both a livelihood and the enjoyment of life, this court recognizes that the use of the public highway is a right which all

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<sup>2</sup> A.R.S. § 28-1162B.

<sup>3</sup> A.R.S. § 28-1163A (see appendix), § 28-1164 (see appendix).

<sup>4</sup> A.R.S. § 28-1165 (see appendix).

<sup>5</sup> A.R.S. § 28-1163B.

<sup>6</sup> Petitioners agree that this provision, as to Adolfo Perez is not unreasonable and represents a proper exercise of the state's police power.

qualified citizens possess, subject, of course, to reasonable regulation under the police power of the sovereign." 380 P.2d @ 140.

There is little question that a driver's license and the automobile registration may be the key to the ability to transport oneself to a place of work, to obtain employment, to maintain an income for the family and; in states such as Arizona where public transportation and mass transit are almost non-existent, the only means of travel to essential places such as schools for the children, hospital and doctor's office for the suddenly ill, shopping for the family larder, etc.<sup>7</sup> Therefore, to the bankrupt who need to regain his license for these compelling reasons, the state's deprivation of the benefits secured under the Bankruptcy Act is fundamental and complete.

In urging this Court to overrule its prior decisions petitioners are not unmindful of the fact that settled construction of a federal statute should not ordinarily be disturbed. However, when error of the prior decisions becomes manifest, and questions of a basic and important right are at stake, this Court should not hesitate to overrule these decisions.<sup>8</sup>

Examination of this Court's opinions in both *Reitz v. Mealey*, supra, and *Kesler v. Dept. of Public Safety*, supra, shows that the one underlying reason for sustaining the states' statutes was: "the statute is an appropriate exercise of the state's police power because the punishing of the careless drivers by depriving them the refuge in bankruptcy serves as a deterrent to unsafe driving".

<sup>7</sup> Emma's and Adolfo's affidavits (A. 10-12).

<sup>8</sup> In *Erie Railroad Co. v. Tompkins*, 304 U.S. 64, 82 L.ed 1197, 58 S.Ct. 817, this Court overruled *Swift v. Tyson*, 16 Pet. 1, 10 L.ed 865 a case decided some fifty years previously dealing with construction of 28 U.S.C. § 725.



It is indisputable that in addition to whatever criminal sanctions Arizona has already imposed on Adolfo under its traffic code for the negligent driving, this statute serves as an increased punishment. The question one must ask is: "by keeping Adolfo from driving until he pays up is the public really protected?" Analysis of the facts here and Arizona's statutory scheme and purpose requires that the answer to this question be NO. We know that there is no correlation between safe driving and one's ability to pay the judgment. Adolfo is not necessarily a worse driver by virtue of being at one time a careless one. Moreover, Arizona can and has adequately insured public safety by requiring that he be examined prior to the restoration of his license.<sup>9</sup> The public is further protected from financial irresponsibility by the demand of future insurance. In many ways, Adolfo Perez, if again permitted to drive, would be a far safer and financially responsible driver than those uninsured drivers who have yet had their first accident.

The practical effect of the Arizona law is to deny the Perezes their licenses and registration permanently until the judgment is satisfied by payment. Arguably, the statute may incidentally encourage Adolfo to drive more carefully if he regains his license. This casual effect, however, should not warrant the drastic consequences of the statute. Arizona has otherwise decided, by legislation, that all "suspensions and revocations of drivers' licenses due to unsafe conduct shall be for a period of only one year."<sup>10</sup> Therefore, the singling out of people such as Adolfo for special treatment in derogation of their rights under the Bankruptcy Act leads to the inescapable conclusion that the primary purpose of the Arizona statute is not to promote public safety but to enable creditors to collect judgments otherwise discharged in bankruptcy.

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<sup>9</sup>A.R.S. 28-421 requiring examination of applicants, and A.R.S. 28-447 requiring re-examination at the department's discretion.

<sup>10</sup>A.R.S. 28-448 (see appendix).

Finally, in construing the Arizona Financial Responsibility Act, the Arizona Supreme Court, in *Schechter v. Killingsworth*, supra, has said that the promotion of highway safety was not the primary purpose of this particular law, but that the Act has for its principal purpose the protection of the public using the highways from financial hardship which may result from the use of automobiles by financially irresponsible persons. Although the Schechter case dealt with suspension of license and registration after accident but before judgment the purpose enunciated are equally applicable to the case of suspension after judgment as both measures are attempts to aid the victim in obtaining monetary recovery. Against this background, it would appear that the legitimate state purposes in the promotion of public safety and the deterrence of unsafe driving justifying the results in *Reitz* and *Kesler* are absent in Arizona. *Erie Railroad Co. v. Tompkins*, supra.

Therefore, the Arizona statute presents a clear case of collision with the Bankruptcy Act and must be invalidated under the Supremacy Clause.

## II

**AS TO PETITIONER EMMA PEREZ THE DECISION OF THE COURT OF APPEAL SUSTAINING THE ARIZONA STATUTE SHOULD BE REVERSED AS THE ARIZONA STATUTE VIOLATES THE SUPREMACY CLAUSE BECAUSE OF ITS CLEAR CONFLICT WITH THE BANKRUPTCY ACT. THE COURT OF APPEAL'S RELIANCE ON PRIOR DECISIONS OF THIS COURT WAS ILLOGICAL AND MISPLACED.**

All of the argument made in Argument I of this brief applies with equal force to Emma Perez. Moreover, as she is neither an unsafe nor a financially irresponsible driver, none of the concededly legitimate state purposes in enacting this type of legislation should have any applicability as to her. Her involvement came about solely because she is the wife of Adolfo Perez and therefore under the community property laws of Arizona was a proper nominal defen-

dant and judgment debtor in the lawsuit.<sup>11</sup> The judgment was against the marital community of Adolfo Perez and Emma Perez, husband and wife, and did not bind her separate property. Nonetheless, her driver's license and automobile registration was suspended by the operation of the Arizona law.

The Court of Appeal sustained the Arizona statute under the theory that Emma's "ownership" of the automobile driven by Adolfo supplied the nexus to the state's police power to reach her. The closest case in point cited in the opinion below as *Sheehan v. Division of Motor Vehicles*, 140 Cal. App. 200, 35 P.2d 359 (1934), holding valid the suspension of the wife's driver's license under California's financial responsibility act. The California Court said in *Sheehan*:

"A particular accident resulting in an unpaid judgment against the owner would not have happened had not the *owner* of the car *furnished* the operator with the dangerous instrumentality and *permitted* him to use the same on the highways and the *owner* thus assumed, in part at least, a responsibility for any interference with the rights of the others that may occur." 35 P.2d @ 361, 362 (*italics added*)

Factually and logically, the *Sheehan* case and the line of cases cited in the opinion below, sustaining the suspension of the license and registration of an owner whose automobile was involved in an accident, can and must be distinguished from Emma's case here. First of all, the automobile which Adolfo drove when he had the accident was the community property of she and her husband. In Arizona, the husband is the manager of the marital community and is in charge of all the business affairs of the community.<sup>12</sup> Thus,

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<sup>11</sup>*Ruth v. Rhodes*, 66 Ariz. 129, 185 P.2d 304 (1947).  
*Donato v. Fishburn*, 90 Ariz. 210, 367 P.2d 245 (1961).

<sup>12</sup>*Mortensen v. Knight*, 81 Ariz. 325, 305 P.2d 463 (1956).  
*Donato v. Fishburn*, *supra*, A.R.S. § 25-211 (see appendix).

in regard to the automobile involved in the accident, Emma neither furnished nor permitted Adolfo the use of the automobile. A wife in Arizona cannot even purchase an automobile or contract for liability insurance unless it concerns her separate property.<sup>13</sup> As to community property her power to contract is limited to necessities.<sup>14</sup>

The opinion of the Court of Appeal characterized the drivers' licenses of both Adolfo and Emma as an integral part of the ball of wax which is the basis of the Arizona community property law. This is erroneous as Arizona law is to the contrary. A driver's license in Arizona is not property. It is a personal right which is possessed by all qualified citizens, be they single, married or divorced, *Schechter v. Killingsworth*, supra. The licenses do not merely grant permission to drive community vehicles. They grant permission to drive any and all motor vehicles, owned or non-owned, community or separate property, anywhere in Arizona or in other states. To characterize the wife's driver's license as property would create a ridiculous result; e.g. if she possessed the license before her marriage, the license would be her separate property;<sup>15</sup> on the other hand, if she obtained the license during coverture it would then be deemed community property.<sup>16</sup>

At this juncture, one may question why would Arizona adopt a statute with such punitive result as to the wife. The answer becomes obvious when the origin of the Arizona financial responsibility act is considered. It was a uniform act, promulgated by the National Conference on Streets and Highway Safety, to be adopted in all states uniformly.<sup>17</sup>

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<sup>13</sup> A.R.S. § 25-214 (see appendix).

<sup>14</sup> A.R.S. § 25-215 (see appendix).

<sup>15</sup> *Blaine v. Blaine*, 63 Ariz. 100, 159 P.2d 786 (1945).

<sup>16</sup> *Donn v. Kunz*, 52 Ariz. 219, 79 P.2d 965 (1938).

<sup>17</sup> *Kesler v. Dept. of Public Safety*, 369 U.S. @ 165.

The problem encountered by Emma was not anticipated by the drafters of the Act as there are but a handful of states with the peculiarities of the community property law.<sup>18</sup>

It therefore appears that as to Emma Perez, the use of Arizona's police power in taking away her right to drive and automobile registration for the sole reason that she is the wife of an erstwhile negligent driver raises a serious violation of due process of law. When that state action interferes with the paramount federal interest in the Bankruptcy Act as to her discharge, a clear conflict emerges which is not resolved by the *Reitz* and *Kesler* decisions. As to Emma Perez, the prevailing state purposes to punish reckless driving and to deter unsafe driving are manifestly absent. It would therefore be appropriate for this Court to distinguish its prior decisions and to decree that as to Emma the Arizona statute conflicts with the Bankruptcy Act and thus offends the Supremacy Clause.

### CONCLUSION

For the reasons argued, petitioners respectfully pray that this Court reverse the decision of the Court of Appeal as to both Adolfo and Emma. In the alternative, petitioners submit that this Court should reverse the Court of Appeal's decision as to Emma Perez.

/s/ Anthony B. Ching  
Special Counsel  
Legal Aid Society of Pima  
County  
Bar Association  
Law School of Harvard  
University  
Cambridge, Massachusetts 02138  
*Counsel for Petitioners*

On the brief  
Elwyn Evans, Jr.  
Winton Woods, Jr.

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<sup>18</sup> Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas and Washington.

## APPENDIX

**ARS § 25-211.** Property acquired during marriage as community property; exceptions; disposition of personal property.

A. All property acquired by either husband or wife during the marriage, except that which is acquired by gift, devise or descent, or earned by the wife and her minor children while she lives separate and apart from her husband, is the community property of the husband and wife.

B. During coverture, personal property may be disposed of by the husband only.

**ARS § 25-214.** Legal capacity of married women generally, control of separate property.

A. Married women of the age of twenty-one years and upwards have the same legal rights and are subject to the same legal liabilities as men of the age of twenty-one years and upwards except the right to make contracts binding the common property of the husband and wife.

B. Married women have the sole and exclusive control of their separate property. The separate property of a married woman is not liable for debts or obligations of the husband, and it may be sold, mortgaged, conveyed or bequeathed by the woman who owns it as if she were not married.

**ARS § 25-215.** Power of wife to contract debts for necessities: judgment, order of execution.

The wife may contract debts for necessities for herself and children upon the credit of her husband. In an action to collect such a debt the wife and her husband shall be sued jointly and the court shall decree that execution be levied first upon the common property, second upon the separate property of the husband and third upon the separate property of the wife.

**ARS § 28-448.** Period of suspension or revocation.

A. The department shall not suspend a driver's license or privilege to drive a motor vehicle on the public highways for a period of more than one year, except as permitted under § 28-473.

B. A person whose license or privilege to drive a motor vehicle on the public highways has been revoked shall not be entitled to have the license or privilege renewed or restored unless the revocation was for a cause which has been removed, except that after the expiration of one year from the date on which the revoked license was surrendered to and received by the department the person may make application for a new license as provided by law, but the department shall not then issue a new license unless and until it is satisfied after investigation of the character, habits and driving ability of the person that it will be safe to grant the privilege of driving a motor vehicle on the public highways.

ARS § 28-1163. Suspension to continue until judgment paid and proof given.

A. The license, registration and nonresident operating privilege shall remain suspended and shall not be renewed, nor shall any license or registration be thereafter issued in the name of the person, including any person not previously licensed, unless and until every such judgment is satisfied in full or to the extent provided by this article, and until the person gives proof of financial responsibility subject to the exemptions stated in § 28-1162 and § 28-1165.

B. A discharge in bankruptcy following the rendering of any such judgment shall not relieve the judgment debtor from any of the requirements of this article.

ARS § 28-1164. Payments sufficient to satisfy requirements.

A. Judgments referred to in this article shall, for the purpose of this chapter only, be deemed satisfied upon compliance with one of the following:



1. When five thousand dollars has been credited upon a judgment or judgments rendered in excess of that amount because of bodily injury to or death of one person as the result of any one accident.

2. When, subject to the limit of five thousand dollars because of bodily injury or death of one person, the sum of ten thousand dollars has been credited upon a judgment or judgments rendered in excess of that amount because of bodily injury to or death of two or more persons as the result of any one accident.

3. When one thousand dollars has been credited upon a judgment or judgments rendered in excess of that amount because of injury to or destruction of property of others as a result of any one accident.

B. Payments made in settlements of claims because of bodily injury, death or property damage arising from a motor vehicle accident shall be credited in reduction of the amounts provided for in this section.

ARS § 28-1165. Installment payment of judgments; default.

A. A judgment debtor upon due notice to the judgment creditor may apply to the court in which the judgment was rendered for the privilege of paying the judgment in installments and the court, in its discretion and without prejudice to any other legal remedies which the judgment creditor may have, may so order and fix the amounts and times of payment of the installments.

B. The superintendent shall not suspend a license, registration or nonresident operating privilege, and shall restore any license, registration or nonresident operating privilege suspended following nonpayment of a judgment, when the judgment debtor gives proof of financial responsibility and obtains an order permitting the payment of the judgment in installments, and while the payment of any installment is not in default.

C. In the event the judgment debtor fails to pay an installment as specified by the order, then upon notice of



the default, the superintendent shall forthwith suspend the license, registration or nonresident operating privilege of the judgment debtor until the judgment is satisfied, as provided in this chapter.

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